



JACK O'CONNELL
State Superintendent of Public Instruction

CALIFORNIA
DEPARTMENT
OF
EDUCATION

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94244-2720

September 26, 2003

Dear County Superintendents of Schools, Auditors, and Treasurers:

**NOTICE OF THE ESTIMATED SPECIAL PURPOSE APPORTIONMENT:
PUPIL TRANSPORTATION (SPECIAL PURPOSE), SCHOOL IMPROVEMENT PROGRAM,
AND
ECONOMIC IMPACT AID, FISCAL YEAR 2003-04**

This apportionment, in the amount of \$1,351,007,967, is made from funds provided in the 2003 Budget Act (Chapter 157, Statutes of 2003). These funds support the Pupil Transportation (Special Purpose), the School Improvement Program (SIP), and Economic Impact Aid (EIA) programs.

Pursuant to *Education Code* section 14041(a)(5), the program allocations will be 10 percent of the annual entitlement for the ten months of September 2003 through June 2004. In October 2003, this apportionment will be recertified to include new fiscal year 2003-04 EIA and SIP entitlements, which have not been finalized as of this date. This apportionment will be recertified again in December 2003 to correct excesses or deficiencies in accordance with *Education Code* section 41334.

The December warrant for each local educational agency (LEA) will equal four-tenths of the newly certified amount, less the amounts paid to the LEA from September through November. Thereafter, in general, one-tenth of the amount certified in December will be included in the warrants for the months from January through June 2004.

The Summary of Apportionment and the Monthly Payment Schedule show subtotals for the SIP, EIA and Transportation funds. The State Controller will issue one warrant to the County that includes all associated LEAs for the total payment of this apportionment.

Notice, Summary, and Exhibits Enclosed

- A. Notice of the Estimated Special Purpose Apportionment: Pupil Transportation (Special Purpose), School Improvement Program, and Economic Impact Aid, Fiscal Year 2003-04
- B. Schedules of Apportionments-Computer Printout Tabulations
 - Pupil Transportation
 - Home-to-School Transportation - Exhibit I
 - Special Education Transportation – Exhibit I-S
 - School Improvement Program - Exhibit II
 - Economic Impact Aid – Exhibit III
- C. Summary of Apportionments by County
- D. Monthly Payment Schedule

Program Notes

Pupil Transportation – The fiscal year 2003-04 estimated Home-to-School and Special Education Transportation apportionments have been certified based on the fiscal year 2002-03 entitlements. The fiscal year 2003-04 entitlements have been adjusted for fiscal year 2002-03 reorganizations and/or transfers of service that were submitted prior to September 1, 2003 and prior year corrections submitted by June 30, 2003. Please note the following:

- Exhibit I, Column 6, lists the fiscal year 2003-04 Home-to-School advance for each participating school district and county office of education. This is the estimated transportation allowance for regular pupils and special education pupils not severely handicapped or orthopedically handicapped. When Home-to-School Transportation is recertified in April with data collected on either Form TRAN or Form J-141 for fiscal year 2002-03, school districts and county offices of education will be entitled to the lesser of their 2002-03 approved Home-to-School expenses or their fiscal year 2002-03 Home-to-School entitlement (including any supplemental grant add-on for fiscal 2002-03).
- Exhibit I-S, Column 4, lists the fiscal year 2003-04 Special Education Transportation advance for each participating school district and county office of education. This is the estimated transportation allowance for special education pupils that are severely handicapped or orthopedically handicapped (SH/OH). When Special Education Transportation is recertified in April with data collected on either Form TRAN or Form J-141-S, school districts and county offices of education will be entitled to the lesser of their 2002-03 approved SH/OH expenses or their fiscal year 2002-03 Special Education entitlement.
- LEAs unable to fully expend their fiscal year 2002-03 entitlements and/or supplemental grant add-on (in the case of home-to-school transportation) due to the deferrals will not have their entitlements reduced for 2003-04. The LEA must spend any unexpended 2002-03 deferred amounts as well as the fiscal year 2003-04 entitlements (including any supplemental grant add-on) during fiscal year 2003-04 to avoid reduction of the fiscal year 2004-05 entitlements.
- The appropriation for fiscal year 2003-04 was not sufficient to fully fund the estimated allocations and a deficit factor of 0.925381437 has been applied to each program. Since AB 1754 deferred \$50M of transportation funding to fiscal year 2004-05, that portion of the 2003-04 allocation not paid in fiscal year 2003-04 will be paid in fiscal year 2004-05.

Note: Prior year exhibits amended by corrections were processed in August 2003 and have been included for your information.

For standardized account code structure (SACS) coding, use Resource Code 7230, Transportation–Home to School, or Resource Code 7240, Transportation–Special Education (SH/OH), and Revenue Object Code 8311, Other State Apportionments–Current Year, for either home-to-school or special education transportation. For prior year adjustments, use Revenue Object Code 8319, Other State

Apportionments-Prior Year. For non-SACS coding, use Income Account Code 8342, Home-to-School Transportation or Income Account Code 8347, Special Education Transportation.

School Improvement Program (SIP) – The 2003-04 Budget Act provided \$320,360,000 for K-6 School Improvement Program entitlements; no funding was included for growth or COLA. The Budget Act also provided \$66,830,000 for grades 7-12; no funding was included for growth or COLA. SIP did not experience any funding deferrals in the 2003-04 budget. Payments will be made in ten installments beginning in September 2003 and ending in June 2004. The September payment is based on actual K-6 entitlements and estimated entitlements for grades 7-12. Final entitlements should be available for the next certification, which will be in October.

In Exhibit II, the amounts in the column entitled “Amount for Each Operating District or LEA” should be credited to the account of school districts or LEAs indicated in the first column. The list of member school districts in cooperatives (second column) and the amount of entitlements for these school districts (third column) are information for use by the county superintendents for school districts involved in cooperative programs.

There is no restriction to the amount of School Improvement Program funds that may be carried over from year to year. For standardized account code structure (SACS) coding, use Resource Codes 7260, School Improvement Program-Grades K to 6, and 7265 (optional) School Improvement Program-Grades 7 to 12. All grades K-12, use Revenue Object Code 8311, Other State Apportionments-Current Year. For non-SACS coding, please use Income Account Code 8244, School Improvement Program.

Economic Impact Aid (EIA) – The September Special Purpose apportionment allocates to districts their fiscal year 2002-03 EIA entitlement amount. The October Special Purpose Apportionment recertification will reflect the actual fiscal year 2003-04 entitlements.

In Exhibit III, the amounts in the column entitled “Amount for Each Operating District or Local Educational Agency” should be credited to the account of school districts or LEAs indicated in the first column.

There is no restriction to the amount of EIA funds that may be carried over from year to year. For SACS coding, use Resource Code 7090, Economic Impact Aid, and Revenue Object Code 8311, Other State Apportionments-Current Year. For non-SACS coding, use Income Account Code 8346, Economic Impact Aid.

Supplemental Grants Roll-In – Allocations for Supplemental Grants which may contribute to the Transportation, SIP, and EIA program selections made pursuant to *Education Code* section 54761.2 will be paid in a separate apportionment.

Transportation, SIP and EIA for Charter Schools – Beginning in fiscal year 2002-03, all charter schools, except for certain districts with all schools converting to charter status, are being funded through the charter school block grant funding model pursuant to *Education Code* section 47633 et seq. This funding model includes categorical block grant funds in lieu of various categorical programs, including SIP and EIA. These block grant funds are allocated as part of the revenue limit

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Principal Apportionment process. Charter enrollment and average daily attendance are excluded from district totals when computing the 2003-04 entitlements for SIP and EIA. For purposes of Pupil Transportation, however, *Education Code* section 47612 deems a charter school to be a school district. As such, to establish base transportation funding for a charter school, the district must determine its cost to transport the charter school students previously served by the district. This will establish the separate transportation funding base for the charter school and result in a corresponding reduction to the district's allowance.

Additional Information/Questions

County offices of education should notify LEAs in their county of the information included in this apportionment. In addition, this apportionment letter will be posted on the California Department of Education's Web site at <<http://www.cde.ca.gov/fiscal/categorical>>. General questions concerning this apportionment may be directed to Ross Valentine (916) 327-4405 or via e-mail at rvalenti@cde.ca.gov. For specific program areas, please contact the School Fiscal Services Division staff as follows:

<u>Program</u>	<u>Contact</u>	<u>Area Code (916)</u>	<u>E-Mail Address</u>
Pupil Transportation	Leslie McCage	324-4537	lmccage@cde.ca.gov
School Improvement	Julie Brucklacher	327-4406	jbruckla@cde.ca.gov
Economic Impact Aid	Ross Valentine	327-4405	rvalenti@cde.ca.gov

Sincerely,

JACK O'CONNELL

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Enclosures